

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 578

(As amended November 13, 1997)

A bill to amend 1943 PA 240, entitled
"State employees' retirement act,"
(MCL 38.1 to 38.69) by adding section 43; and to repeal acts and
parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 43. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
2 ACT TO THE CONTRARY, THE RETIREMENT SYSTEM SHALL TRANSFER CONTRI-
3 BUTIONS PREVIOUSLY MADE TO THE RETIREMENT SYSTEM ON BEHALF OF
4 CERTAIN FORMER EMPLOYEES AS PROVIDED IN THIS SECTION. THIS SEC-
5 TION APPLIES TO CONTRIBUTIONS MADE TO THE RETIREMENT SYSTEM BY A
6 FEDERAL AGENCY ON BEHALF OF EMPLOYEES OF AN AUTHORITY THAT WAS
7 ESTABLISHED BY LAW AND DISSOLVED BY EXECUTIVE ORDER NOT MORE THAN
8 4 YEARS AFTER THE DATE THE AUTHORITY WAS ESTABLISHED.

9 (2) ON OR BEFORE [DECEMBER 19], 1997, THE SUCCESSOR AGENCY TO
10 THE DISSOLVED AUTHORITY SHALL PROVIDE TO THE RETIREMENT SYSTEM A

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1 LIST OF EACH FORMER EMPLOYEE OF THE DISSOLVED AUTHORITY ON WHOSE
2 BEHALF A CONTRIBUTION DESCRIBED IN SUBSECTION (1) WAS MADE AND
3 WHO HAS NOTIFIED THE SUCCESSOR AGENCY THAT HE OR SHE WISHES TO
4 HAVE THE CONTRIBUTION TRANSFERRED UNDER THIS SECTION. THE SUC-
5 CESSOR AGENCY SHALL INCLUDE THE DATES EACH EMPLOYEE INCLUDED ON
6 THE LIST WAS EMPLOYED BY THE DISSOLVED AUTHORITY. THE SUCCESSOR
7 AGENCY SHALL PROVIDE TO THE RETIREMENT SYSTEM THE NAME OF THE
8 SUCCESSOR AGENCY'S RETIREMENT PLAN INTO WHICH THE CONTRIBUTIONS
9 SHALL BE TRANSFERRED.

10 (3) ON OR BEFORE [JANUARY 16, 1998], THE RETIREMENT SYSTEM
11 SHALL TRANSFER TO THE RETIREMENT PLAN OF THE SUCCESSOR AGENCY OF
12 THE DISSOLVED AUTHORITY AN AMOUNT EQUAL TO THE SUM OF THE
13 FOLLOWING:

14 (A) THE CONTRIBUTIONS DESCRIBED IN SUBSECTION (1) FOR EACH
15 FORMER EMPLOYEE ON THE LIST DESCRIBED IN SUBSECTION (2).

16 (B) EARNINGS ON THE AMOUNT DESCRIBED IN SUBDIVISION (A)
17 WHILE THE AMOUNTS WERE HELD BY THE RETIREMENT SYSTEM, DETERMINED
18 AS FOLLOWS:

19 (i) FOR ALL COMPLETE FISCAL YEARS THAT THE AMOUNTS WERE HELD
20 BY THE RETIREMENT SYSTEM, UNDER SECTION 20G(1).

21 (ii) FOR ANY PARTIAL FISCAL YEAR THAT THE AMOUNTS WERE HELD
22 BY THE RETIREMENT SYSTEM, ON THE BASIS OF THE RETIREMENT SYSTEM'S
23 ASSUMED RATE OF INTEREST OF 8% PER YEAR, COMPOUNDED ANNUALLY.

24 (4) A FORMER MEMBER ON WHOSE BEHALF CONTRIBUTIONS ARE TRANS-
25 FERRED UNDER THIS SECTION FORFEITS CREDIT FOR ALL SERVICE
26 RENDERED BY HIM OR HER DURING THE PERIOD THAT INDIVIDUAL WAS
27 EMPLOYED BY THE DISSOLVED AUTHORITY. NOTWITHSTANDING SECTION 16,

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1 IF THE INDIVIDUAL DESCRIBED IN THIS SUBSECTION AGAIN BECOMES
2 EMPLOYED BY THIS STATE, HE OR SHE SHALL NOT HAVE THE SERVICE FOR-
3 FEITED UNDER THIS SECTION RESTORED TO HIS OR HER CREDIT.

4 (5) THIS SECTION IS REPEALED EFFECTIVE [JANUARY 30], 1998.